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FR-4915-01-P

## SURFACE TRANSPORTATION BOARD

[Docket No. FD 36177]

Hennepin County Regional Railroad Authority—Acquisition Exemption—in Hennepin County, Minn.

The Hennepin County Regional Railroad Authority (HCRRA), a Class III carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to acquire from Soo Line Railroad Company d/b/a Canadian Pacific (CP) a permanent, irrevocable, exclusive rail freight operating easement over the Bass Lake Spur, which extends from Milepost 435.06 in Hopkins, Hennepin County, Minn., to Milepost 428.38 in St. Louis Park, Hennepin County, Minn., a distance of approximately 6.7 miles (the Line).

HCRRA states that the Line includes a portion of the connecting track between the Bass Lake Spur and CP's Minneapolis, Northfield and Southern Spur in St. Louis Park. According to HCRRA, together with the Kenilworth Corridor,<sup>1</sup> the Line connects a

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<sup>1</sup> HCRRA states that the Kenilworth Corridor is a 2.6-mile segment of rail line and right-of-way west of the Line, presently owned by HCRRA, and over which Twin Cities & Western Railroad Company and CP have trackage rights. HCRRA further states that these tracks, and this Notice of Exemption, are directly related to a petition for declaratory order that was contemporaneously filed in Docket No. FD 36178 by the Metropolitan Council, a non-railroad, political subdivision of the State of Minnesota. According to HCRRA, the proposed transaction is intended to facilitate the planning and future construction of the Southwest Light Rail Transit Project—managed by the Metropolitan Council—which, when complete, will provide transit light rail service from downtown Minneapolis through the communities of St. Louis Park, Hopkins, Minnetonka, and Eden Prairie.

line of Twin Cities & Western Railroad Company (TCWR) to the west with a line of BNSF Railway Company to the east.

HCRRA further states that, through the proposed transaction, HCRRA intends to acquire CP's common carrier rights and obligations with respect to the Line.

Immediately following HCRRA's acquisition, according to HCRRA, CP intends to transfer the trackage and underlying real estate to the Metropolitan Council, subject to HCRRA's permanent and exclusive rail freight operating easement. HCRRA states that TCWR operates over the Line pursuant to overhead trackage rights granted by CP, which maintains the Line but does not operate on it. Upon consummation of the transaction, HCRRA states, CP will execute an agreement assigning to HCRRA its rights and responsibilities under the TCWR trackage rights agreement that pertain to the Line. HCRRA asserts that it will have permanent and adequate rights to ensure the provision of any required common carrier service on the Line, and neither HCRRA nor the Metropolitan Council will unreasonably interfere with or restrict TCWR's continued overhead operations.

According to HCRRA, it has negotiated an Easement Agreement with CP and the Metropolitan Council setting forth the parties' respective rights and obligations in connection with HCRRA's acquisition of the easement that will allow HCRRA to acquire and fulfill CP's common carrier rights and obligations with respect to the Line, and the transfer of the associated trackage and underlying real estate to the Metropolitan Council.

HCRRA certifies that its revenues from freight operations will not result in the creation of a Class I or Class II carrier. HCRRA also certifies that the proposed

acquisition does not involve an interchange commitment or other limitation of future interchange with a third-party connecting carrier.

HCRRA states that the parties expect the transactions to be consummated in the second quarter of 2018. The earliest this transaction may be consummated is May 5, 2018 (30 days after the verified notice of exemption was filed).

According to HCRRA, its proposed acquisition of the Line is exempt from environmental reporting requirements under 49 C.F.R. § 1105.6(c)(1)(i) and from historic preservation reporting under 49 C.F.R. § 1105.8(b)(1).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than April 27, 2018 (at least seven days before the exemption becomes effective).<sup>2</sup>

An original and 10 copies of all pleadings, referring to Docket No. FD 36177, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Charles A. Spitulnik, Kaplan Kirsch & Rockwell LLP, 1001 Connecticut Avenue, N.W., Suite 800, Washington, DC 20036.

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<sup>2</sup> In letters filed on April 16, 2018, the City of Stewart, Minn., and Farmward Cooperative ask the Board to stay the effectiveness of the notice “in order to solicit the views of others affected by this transaction,” including shippers. This request will be addressed in a separate decision.

Board decisions and notices are available on our website at [WWW.STB.GOV](http://WWW.STB.GOV).

Decided: April 17, 2018.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.